HOUSING MARKET INFORMATION

HOUSING NOW
Kelowna CMA

CANADA MORTGAGE AND HOUSING CORPORATION

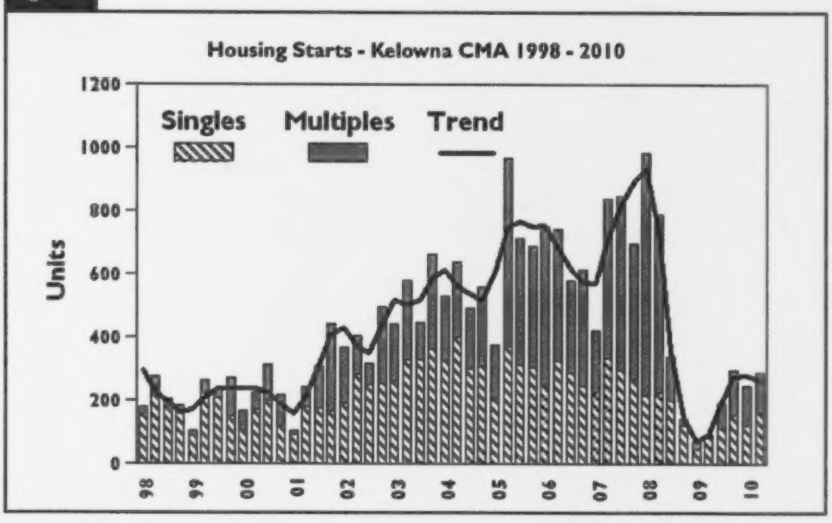
Date Released: July 2010

New Home Construction

Kelowna's new home construction sector saw second quarter housing starts increase from levels recorded in 2009. Both detached home and multi-family construction was up from the same three month period last year, but below the ten year quarterly average.

The inventory of new, completed and unoccupied detached homes has steadily declined since mid 2009, clearing the way for more detached home construction this year. Low mortgage interest rates have been a key factor contributing to higher demand for new detached homes. Lower lot prices and other construction costs have also allowed builders to compete more effectively with the existing home market. The

Figure 1



Source: CMHC.

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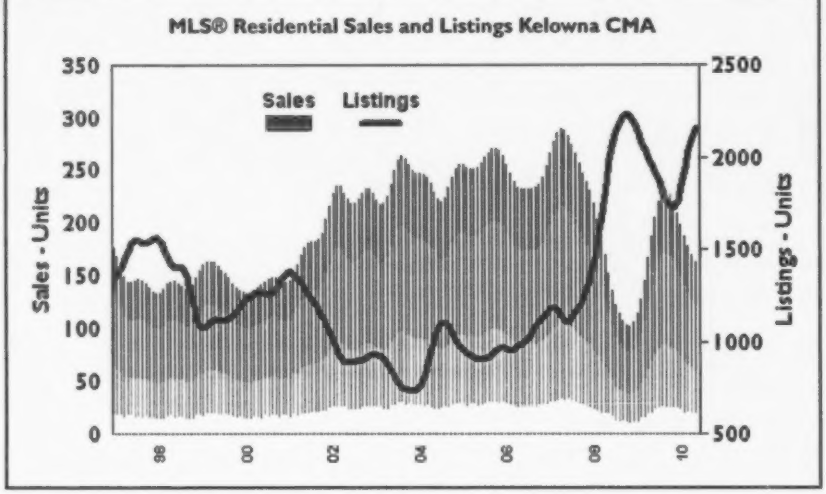


Source: OMREB. MLS® Multiple Listing Service (MLS®) is a registered certification mark owned by the Canadian Real Estate Association. Data is seasonally adjusted.

uptick in detached home starts is in line with CMHC's 2010 forecast.

The Upper Mission, Black Mountain, North Glenmore and Shannon Lake areas have recorded the highest level of detached home construction to date this year. The Kelowna area is now well supplied with building lots, a big change from the shortages seen prior to 2008. Moderately priced homes have remained the focus of new detached home demand in 2010. The decision to purchase a new home is based on many factors and perceived value is an important consideration.

Rental apartment construction accounted for the bulk of apartment starts in 2010. More favourable construction and financing costs and expectations of lower vacancy rates through the longer term have triggered increased interest in rental construction. Reduced demand for condominiums has also freed up some building sites.

Lingering inventories of new, completed and unoccupied units and strong price competition from a well-supplied resale market have constrained apartment condominium construction this year. Condominium absorption has improved, but remains sluggish compared to recent years. Demand for resort housing and second residences is not strong, leading to fewer condominium starts. For now, demand has shifted to local buyers from investors. Builders have remained cautious, focusing on smaller, phased multi-family housing projects this year. As in the detached home sector, builders of semi-detached homes and townhouses are targeting mainly buyers seeking moderately priced rather than higher-end homes. Expect condominium construction to pick up later next year as the inventory of new, completed and unsold units and the supply of existing condominiums for sale comes down.

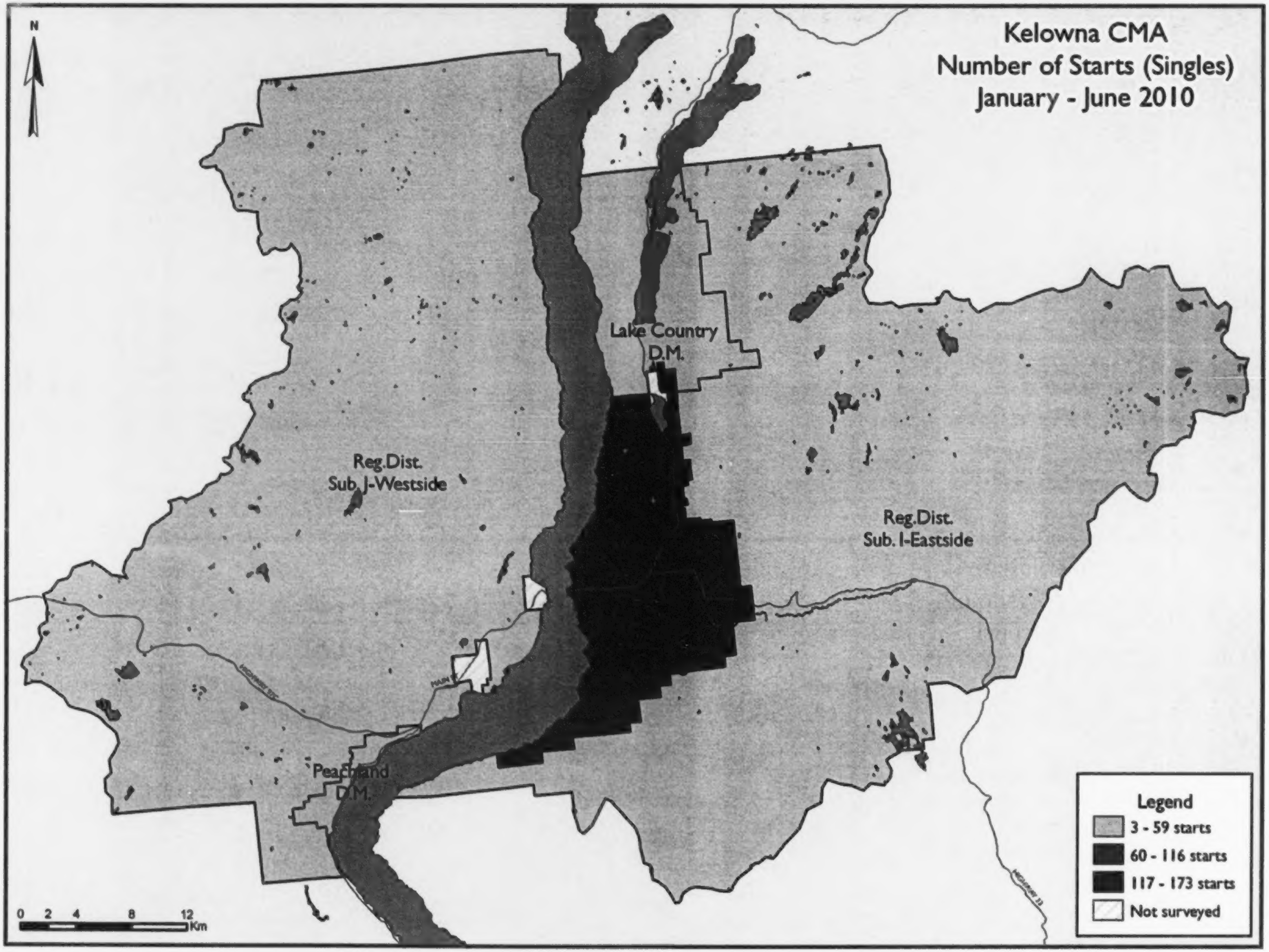
Existing Home Sales Moderate

Existing home sales have moderated after recording year-over-year gains each month since mid 2009. June sales were below the same month a year ago. Slightly higher mortgage interest rates and expectations of further increases have tempered growth in demand. Pent-up demand among first-time buyers was to some extent satisfied during 2009's third and fourth quarter surge in sales.

The focus of demand among detached home buyers remains moderately priced homes. Single family homes (detached and semi-detached units) priced at less than $450,000, captured 50 per cent of sales during the first six months of 2010, compared to only 38 per cent of sales just two years ago. Expect sales of higher priced detached homes to pick up as demand broadens to include more move-up buyers.

Home buyers continued to benefit from ample choice. The supply of homes listed for sale remains at high levels. Both single family residential and apartment condominium listings have been trending higher in 2010. With sales edging lower and the supply of listings increasing, the sales to active and sales to new listings ratios have moved into buyers' from balanced market territory. Expect Kelowna's existing home market remain in a borderline buyers' - balanced market position throughout the remainder of 2010.

Existing home prices stabilized by mid 2009 and have since edged back up in response to rising demand earlier this year and in the second half of 2009. Price gains recorded during the past twelve month period are partially attributed to especially strong demand for lower priced homes earlier last year, rather than price appreciation. Looking forward, ample supply will temper upward pressure on prices this year and next.


Kelowna CMA
Number of Starts (Singles)
January - June 2010
N
Lake Country D.M.
Reg.Dist. Sub. J-Westside
Reg.Dist. Sub. I-Eastside
Peachland D.M.
Legend
3 - 59 starts
60 - 116 starts
117 - 173 starts
Not surveyed
0 2 4 8 12 Km

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4.1	Average Price ($) of Absorbed Single-Detached Units

SYMBOLS

n/a	Not applicable
*	Totals may not add up due to co-operatives and unknown market types
**	Percent change > 200%
-	Nil
--	Amount too small to be expressed
SA	Monthly figures are adjusted to remove normal seasonal variation

Table 1: Housing Activity Summary of Kelowna CMA
June 2010

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
June 2010	49	2	0	2	0	6	1	71	131
June 2009	22	0	0	1	2	2	1	0	28
% Change	122.7	n/a	n/a	100.0	-100.0	200.0	0.0	n/a	**
Year-to-date 2010	269	20	0	9	40	9	10	182	539
Year-to-date 2009	116	4	0	6	24	2	15	0	167
% Change	131.9	**	n/a	50.0	66.7	**	-33.3	n/a	**
UNDER CONSTRUCTION									
June 2010	480	30	0	11	128	179	15	283	1,126
June 2009	451	6	0	17	188	828	20	59	1,569
% Change	6.4	**	n/a	-35.3	-31.9	-78.4	-25.0	**	-28.[illegible]
COMPLETIONS									
June 2010	42	2	0	0	27	0	0	0	71
June 2009	24	0	0	1	10	228	1	0	264
% Change	75.0	n/a	n/a	-100.0	170.0	-100.0	-100.0	n/a	-73.1
Year-to-date 2010	237	8	0	8	91	481	13	0	838
Year-to-date 2009	258	2	0	11	121	811	27	0	1,230
% Change	-8.1	**	n/a	-27.3	-24.8	-40.7	-51.9	n/a	-31.9
COMPLETED & NOT ABSORBED									
June 2010	93	2	0	6	83	385	0	0	569
June 2009	170	1	0	5	77	307	0	0	560
% Change	-45.3	100.0	n/a	20.0	7.8	25.4	n/a	n/a	1.6
ABSORBED									
June 2010	48	4	0	0	10	8	0	0	70
June 2009	32	0	0	1	14	129	5	0	181
% Change	50.0	n/a	n/a	-100.0	-28.6	-93.8	-100.0	n/a	-61.3
Year-to-date 2010	254	8	0	9	79	377	13	0	740
Year-to-date 2009	269	2	0	10	113	611	27	0	1,032
% Change	-5.6	**	n/a	-10.0	-30.1	-38.3	-51.9	n/a	-28.3

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
June 2010

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Kelowna City									
June 2010	28	2	0	2	0	6	1	71	110
June 2009	9	0	0	1	0	2	1	0	13
Lake Country D.M.									
June 2010	7	0	0	0	0	0	0	0	7
June 2009	5	0	0	0	0	0	0	0	5
Peachland D.M.									
June 2010	1	0	0	0	0	0	0	0	1
June 2009	3	0	0	0	0	0	0	0	3
Reg. Dist. Sub. J - Westside									
June 2010	11	0	0	0	0	0	0	0	11
June 2009	4	0	0	0	0	0	0	0	4
Reg. Dist. Sub. I - Eastside									
June 2010	2	0	0	0	0	0	0	0	2
June 2009	1	0	0	0	2	0	0	0	3
Kelowna CMA									
June 2010	49	2	0	2	0	6	1	71	131
June 2009	22	0	0	1	2	2	1	0	28
UNDER CONSTRUCTION									
Kelowna City									
June 2010	222	20	0	9	76	133	15	212	687
June 2009	210	4	0	11	90	747	18	59	1,139
Lake Country D.M.									
June 2010	91	6	0	0	2	0	0	71	170
June 2009	68	0	0	1	25	15	0	0	109
Peachland D.M.									
June 2010	16	0	0	1	22	0	0	0	39
June 2009	22	0	0	1	20	0	0	0	43
Reg. Dist. Sub. J - Westside									
June 2010	137	4	0	1	22	46	0	0	210
June 2009	140	2	0	4	45	66	2	0	259
Reg. Dist. Sub. I - Eastside									
June 2010	14	0	0	0	6	0	0	0	20
June 2009	11	0	0	0	8	0	0	0	19
Kelowna CMA									
June 2010	480	30	0	11	128	179	15	283	1,126
June 2009	451	6	0	17	188	828	20	59	1,569

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
June 2010

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Kelowna City									
June 2010	26	0	0	0	27	0	0	0	53
June 2009	13	0	0	0	8	156	1	0	178
Lake Country D.M.									
June 2010	8	0	0	0	0	0	0	0	8
June 2009	2	0	0	1	0	72	0	0	75
Peachland D.M.									
June 2010	1	0	0	0	0	0	0	0	1
June 2009	4	0	0	0	0	0	0	0	4
Reg. Dist. Sub. J - Westside									
June 2010	4	0	0	0	0	0	0	0	4
June 2009	3	0	0	0	2	0	0	0	5
Reg. Dist. Sub. I - Eastside									
June 2010	3	2	0	0	0	0	0	0	5
June 2009	2	0	0	0	0	0	0	0	2
Kelowna CMA									
June 2010	42	2	0	0	27	0	0	0	71
June 2009	24	0	0	1	10	228	1	0	264
COMPLETED & NOT ABSORBED									
Kelowna City									
June 2010	53	0	0	2	52	269	0	0	376
June 2009	90	1	0	2	44	154	0	0	291
Lake Country D.M.									
June 2010	8	0	0	0	12	25	0	0	45
June 2009	13	0	0	0	18	67	0	0	98
Peachland D.M.									
June 2010	6	0	0	1	3	0	0	0	10
June 2009	5	0	0	0	6	0	0	0	11
Reg. Dist. Sub. J - Westside									
June 2010	26	2	0	3	13	91	0	0	135
June 2009	62	0	0	3	7	86	0	0	158
Reg. Dist. Sub. I - Eastside									
June 2010	0	0	0	0	3	0	0	0	3
June 2009	0	0	0	0	2	0	0	0	2
Kelowna CMA									
June 2010	93	2	0	6	83	385	0	0	569
June 2009	170	1	0	5	77	307	0	0	560

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 2: Starts by Submarket and by Dwelling Type
June 2010

Submarket	Single		Semi		Row		Apt. & Other		Total		
	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	% Change
Black Mountain	1	1	0	0	0	0	0	0	1	1	0.0
Dilworth Mountain	1	1	0	0	0	0	0	0	1	1	0.0
Ellison/Joe Rich	2	1	0	2	0	0	0	0	2	3	-33.3
Glenrosa	0	0	0	0	0	0	0	0	0	0	n/a
Glenmore	5	0	0	0	0	0	71	0	76	0	n/a
Kelowna Core Area	1	1	0	0	0	0	6	2	7	3	133.3
Lake Country	7	5	0	0	0	0	0	0	7	5	40.0
Lakeview Heights	2	1	0	0	0	0	0	0	2	1	100.0
Lower Mission	1	0	0	0	0	0	0	0	1	0	n/a
North Glenmore	5	1	0	0	0	0	0	0	5	1	**
Peachland	1	3	0	0	0	0	0	0	1	3	-66.7
Rutland	1	1	2	0	0	0	0	0	3	1	200.0
Southeast Kelowna	1	1	0	0	0	0	0	0	1	1	0.0
Shannon Lake	3	1	0	0	0	0	0	0	3	1	200.0
Upper Mission	15	5	0	0	0	0	0	0	15	5	200.0
Westbank	0	0	0	0	0	0	0	0	0	0	n/a
West Kelowna	6	0	0	0	0	0	0	0	6	0	n/a
Westside	0	2	0	0	0	0	0	0	0	2	-100.0
Kelowna CMA	52	24	2	[illegible]	[illegible]	[illegible]	77	2	[illegible]	28	**

Table 2.1: Starts by Submarket and by Dwelling Type
January - June 2010

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	% Change
Black Mountain	31	8	2	0	4	0	0	0	37	8	**
Dilworth Mountain	4	4	16	0	0	0	0	0	20	4	**
Ellison/Joe Rich	7	7	4	4	0	0	0	0	11	11	0.0
Glenrosa	0	0	0	2	0	0	0	0	0	2	-100.0
Glenmore	20	0	0	0	0	0	71	0	91	0	n/a
Kelowna Core Area	4	9	4	4	0	0	120	2	128	15	**
Lake Country	48	19	2	0	0	0	0	0	50	19	163.2
Lakeview Heights	14	4	0	0	0	0	0	0	14	4	**
Lower Mission	6	2	0	0	6	0	0	0	12	2	**
North Glenmore	24	10	0	0	0	0	0	0	24	10	140.0
Peachland	3	9	0	0	0	20	0	0	3	29	-89.7
Rutland	15	4	6	2	14	0	0	0	35	6	**
Southeast Kelowna	8	7	0	0	0	0	0	0	8	7	14.3
Shannon Lake	26	14	0	0	0	0	0	0	26	14	85.7
Upper Mission	61	16	0	0	0	0	0	0	61	16	**
Westbank	3	5	2	0	0	0	0	0	5	5	0.0
West Kelowna	14	4	0	0	0	0	0	0	14	4	**
Westside	0	11	0	0	0	0	0	0	0	11	-100.0
Kelowna CMA	[illegible]	[illegible]	[illegible]	12	24	[illegible]	[illegible]	2	[illegible]	[illegible]	**

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type June 2010											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	June 2010	June 2009	% Change
Black Mountain	2	6	6	2	0	0	0	0	8	8	0.0
Dilworth Mountain	0	0	0	4	0	0	0	0	0	4	-100.0
Ellison/Joe Rich	3	2	2	0	0	0	0	0	5	2	150.0
Glenrosa	1	0	0	0	0	0	0	0	1	0	n/a
Glenmore	2	0	0	0	0	0	0	0	2	0	n/a
Kelowna Core Area	3	4	0	2	13	0	0	104	16	110	-85.5
Lake Country	8	3	0	0	0	0	0	72	8	75	-89.3
Lakeview Heights	0	1	0	0	0	0	0	0	0	1	-100.0
Lower Mission	0	0	0	0	0	0	0	0	0	0	n/a
North Glenmore	3	0	0	0	0	0	0	0	3	0	n/a
Peachland	1	4	0	0	0	0	0	0	1	4	-75.0
Rutland	7	0	0	0	0	0	0	52	7	52	-86.5
Southeast Kelowna	2	0	0	0	0	0	0	0	2	0	n/a
Shannon Lake	2	1	0	2	0	0	0	0	2	3	-33.3
Upper Mission	7	4	0	0	8	0	0	0	15	4	**
Westbank	0	0	0	0	0	0	0	0	0	0	n/a
West Kelowna	1	1	0	0	0	0	0	0	1	1	0.0
Westside	0	0	0	0	0	0	0	0	0	0	n/a
Kelowna CMA	42	[illegible]	8	[illegible]	21	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 3.1: Completions by Submarket and by Dwelling Type January - June 2010											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	YTD 2010	YTD 2009	% Change
Black Mountain	21	21	8	6	0	0	0	0	29	27	7.4
Dilworth Mountain	5	2	20	8	0	0	0	0	25	10	150.0
Ellison/Joe Rich	9	6	10	10	0	0	0	0	19	16	18.8
Glenrosa	4	0	0	0	0	0	0	0	4	0	n/a
Glenmore	6	11	0	2	0	0	0	67	6	80	-92.5
Kelowna Core Area	11	9	0	8	13	0	406	258	430	275	56.4
Lake Country	40	38	2	0	12	30	15	72	69	140	-50.7
Lakeview Heights	7	11	0	0	0	0	0	0	7	11	-36.4
Lower Mission	5	5	4	2	0	0	60	0	69	7	**
North Glenmore	19	28	2	2	0	12	0	60	21	102	-79.4
Peachland	10	10	0	2	0	24	0	0	10	36	-72.2
Rutland	15	16	2	2	0	8	0	92	17	118	-85.6
Southeast Kelowna	24	6	0	0	0	0	0	0	24	6	**
Shannon Lake	15	25	0	6	0	0	0	150	15	181	-91.7
Upper Mission	49	53	0	0	24	8	0	0	73	61	19.7
Westbank	4	12	2	2	0	0	0	112	6	126	-95.2
West Kelowna	14	21	0	0	0	0	0	0	14	21	-33.3
Westside	0	13	0	0	0	0	0	0	0	13	-100.0
Kelowna CMA	258	297	50	50	49	82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range
June 2010

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $400,000		$400,000 - $499,999		$500,000 - $599,999		$600,000 - $749,999		$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Black Mountain													
June 2010	0	0.0	1	33.3	1	33.3	0	0.0	1	33.3	3	--	--
June 2009	0	0.0	2	28.6	3	42.9	2	28.6	0	0.0	7	--	--
Year-to-date 2010	0	0.0	4	19.0	6	28.6	8	38.1	3	14.3	21	649,900	630,449
Year-to-date 2009	1	4.5	3	13.6	10	45.5	4	18.2	4	18.2	22	565,544	637,825
[illegible]													
June 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	0	0.0	0	0.0	1	25.0	3	75.0	4	--	--
Year-to-date 2009	0	0.0	0	0.0	3	50.0	0	0.0	3	50.0	6	--	--
[illegible]													
June 2010	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	3	--	--
June 2009	0	0.0	0	0.0	2	100.0	0	0.0	0	0.0	2	--	--
Year-to-date 2010	0	0.0	1	12.5	4	50.0	1	12.5	2	25.0	8	--	--
Year-to-date 2009	1	14.3	2	28.6	3	42.9	0	0.0	1	14.3	7	--	--
Glenrosa													
June 2010	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	1	33.3	1	33.3	1	33.3	0	0.0	3	--	--
Year-to-date 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Glenmore													
June 2010	0	0.0	0	0.0	0	0.0	1	33.3	2	66.7	3	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	2	22.2	0	0.0	3	33.3	4	44.4	9	--	--
Year-to-date 2009	2	22.2	0	0.0	0	0.0	0	0.0	7	77.8	9	--	--
Kelowna Core Area													
June 2010	0	0.0	1	25.0	1	25.0	1	25.0	1	25.0	4	--	--
June 2009	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	--	--
Year-to-date 2010	0	0.0	2	40.0	1	20.0	1	20.0	1	20.0	5	--	--
Year-to-date 2009	4	50.0	1	12.5	2	25.0	0	0.0	1	12.5	8	--	--
Lake Country													
June 2010	0	0.0	4	57.1	3	42.9	0	0.0	0	0.0	7	--	--
June 2009	0	0.0	3	42.9	3	42.9	0	0.0	1	14.3	7	--	--
Year-to-date 2010	2	4.7	12	27.9	14	32.6	6	14.0	9	20.9	43	529,900	652,578
Year-to-date 2009	0	0.0	7	15.2	30	65.2	4	8.7	5	10.9	46	542,425	640,659
Lakeview Heights													
June 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2009	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	--	--
Year-to-date 2010	0	0.0	0	0.0	0	0.0	1	14.3	6	85.7	7	--	--
Year-to-date 2009	0	0.0	0	0.0	2	14.3	1	7.1	11	78.6	14	970,125	1,340,331
Upper Mission													
June 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	1	33.3	0	0.0	0	0.0	2	66.7	3	--	--
Year-to-date 2009	2	33.3	0	0.0	1	16.7	3	50.0	0	0.0	6	--	--

Source: CMHC (Market Absorption Survey)

Table 4: Absorbed Single-Detached Units by Price Range
June 2010

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $400,000		$400,000 - $499,999		$500,000 - $599,999		$600,000 - $749,999		$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
North Glenmore													
June 2010	0	0.0	4	100.0	0	0.0	0	0.0	0	0.0	4	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	7	36.8	1	5.3	5	26.3	6	31.6	19	690,000	643,567
Year-to-date 2009	0	0.0	0	0.0	5	17.2	9	31.0	15	51.7	29	761,145	770,449
Peachland													
June 2010	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	1	--	--
June 2009	0	0.0	0	0.0	1	33.3	2	66.7	0	0.0	3	--	--
Year-to-date 2010	0	0.0	0	0.0	3	37.5	3	37.5	2	25.0	8	--	--
Year-to-date 2009	2	33.3	0	0.0	2	33.3	2	33.3	0	0.0	6	--	--
Rutland													
June 2010	0	0.0	4	66.7	2	33.3	0	0.0	0	0.0	6	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	1	7.7	8	61.5	3	23.1	1	7.7	0	0.0	13	469,900	470,121
Year-to-date 2009	2	16.7	5	41.7	0	0.0	4	33.3	1	8.3	12	556,647	573,658
Southeast Kelowna													
June 2010	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	1	5.6	0	0.0	2	11.1	15	83.3	18	919,750	1,004,118
Year-to-date 2009	3	50.0	0	0.0	0	0.0	0	0.0	3	50.0	6	--	--
Shannon Lake													
June 2010	0	0.0	2	66.7	1	33.3	0	0.0	0	0.0	3	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	6	27.3	9	40.9	4	18.2	3	13.6	22	546,975	586,911
Year-to-date 2009	1	4.5	1	4.5	9	40.9	8	36.4	3	13.6	22	618,000	625,775
Upper Mission													
June 2010	0	0.0	0	0.0	3	33.3	1	11.1	5	55.6	9	--	--
June 2009	1	11.1	3	33.3	2	22.2	2	22.2	1	11.1	9	--	--
Year-to-date 2010	0	0.0	0	0.0	10	18.9	12	22.6	31	58.5	53	777,000	943,503
Year-to-date 2009	1	1.6	5	8.1	15	24.2	13	21.0	28	45.2	62	721,823	790,046
Westbank													
June 2010	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	0.0	2	66.7	1	33.3	0	0.0	0	0.0	3	--	--
Year-to-date 2009	0	0.0	4	36.4	7	63.6	0	0.0	0	0.0	11	524,895	506,916
West Kelowna													
June 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2009	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	3	--	--
Year-to-date 2010	0	0.0	9	60.0	5	33.3	1	6.7	0	0.0	15	481,950	480,994
Year-to-date 2009	1	5.6	8	44.4	7	38.9	0	0.0	2	11.1	18	499,685	604,820
Westside													
June 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2009	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2010	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2009	0	0.0	11	84.6	2	15.4	0	0.0	0	0.0	13	449,500	457,988
Kelowna CMA													
June 2010	0	0.0	17	36.2	14	29.8	4	8.5	12	25.5	47	530,250	678,969
June 2009	3	8.8	10	29.4	11	32.4	6	17.6	4	11.8	34	539,000	592,358
Year-to-date 2010	3	1.2	56	22.0	58	22.8	50	19.7	87	34.3	254	640,200	750,480
Year-to-date 2009	20	6.7	47	15.8	98	33.0	48	16.2	84	28.3	297	594,800	723,824

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units
June 2010

Submarket	June 2010	June 2009	% Change	YTD 2010	YTD 2009	% Change
Black Mountain	--	--	n/a	630,449	637,825	-1.2
Dilworth Mountain	--	--	n/a	--	--	n/a
Ellison/Joe Rich	--	--	n/a	--	--	n/a
Glenrosa	--	--	n/a	--	--	n/a
Glenmore	--	--	n/a	--	--	n/a
Kelowna Core Area	--	--	n/a	--	--	n/a
Lake Country	--	--	n/a	652,578	640,659	1.9
Lakeview Heights	--	--	n/a	--	1,340,331	n/a
Lower Mission	--	--	n/a	--	--	n/a
North Glenmore	--	--	n/a	643,567	770,449	-16.5
Peachland	--	--	n/a	--	--	n/a
Rutland	--	--	n/a	470,121	573,658	-18.0
Southeast Kelowna	--	--	n/a	1,004,118	--	n/a
Shannon Lake	--	--	n/a	586,911	625,775	-6.2
Upper Mission	--	--	n/a	943,503	790,046	19.4
Westbank	--	--	n/a	--	506,916	n/a
West Kelowna	--	--	n/a	480,994	604,820	-20.5
Westside	--	--	n/a	--	457,988	n/a
Kelowna CMA	678,969	592,358	14.6	750,480	[illegible]	[illegible]

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kelowna
June 2010

		Single Detached				Townhouse				Apartment Condo			
		Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)
2009	January	60	1,823	3	411,943	10	303	3	347,390	25	806	3	262,532
	February	91	1,859	5	446,733	12	344	3	299,408	28	868	3	232,761
	March	142	1,979	7	437,118	25	380	7	320,512	43	940	5	253,706
	April	178	2,079	9	459,684	27	378	7	320,089	60	923	7	243,386
	May	216	2,068	10	501,617	37	363	10	320,767	71	988	7	279,935
	June	251	2,106	12	476,544	44	367	12	307,382	77	992	8	245,072
	July												
	August												
	September												
	October												
	November												
	December												
2010	January	149	1,413	11	506,581	23	227	10	351,185	47	807	6	232,494
	February	154	1,673	9	500,523	25	308	8	272,312	57	1,005	6	257,532
	March	205	1,856	11	496,243	45	289	16	329,985	53	917	6	251,347
	April	237	2,136	11	509,338	42	309	14	341,430	83	970	9	254,459
	May	217	2,205	10	523,327	50	318	16	317,127	67	1,047	6	273,725
	June	212	2,266	9	550,819	33	309	11	369,704	52	1,063	5	234,323
	July												
	August												
	September												
	October												
	November												
	December												
	YTD 2009	935	1,986	8	467,042	155	356	7	318,872	304	920	5	254,4[illegible]
	YTD 2010	1,174	1,925	10	515,622	218	293	12	330,876	361	968	6	253,245
	% Change	26.0	-3.0	25.0	10.0	41.0	-18.0	71.0	4.0	19.0	5.0	-20.0	[illegible]

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
Note: Based on boundaries of the OMREB. Townhouse and apartment data does not include Big White.

Source: Okanagan Mainline Real Estate Board (OMREB)

Table 6: Economic Indicators June 2010										
		Interest Rates			NHPI, Total, 1997=100 (B.C.)	CPI, 2002 =100 (B.C.)	Kelowna Labour Market			
		P & I Per $100,000	Mortage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	Average Weekly Earnings ($)
			1 Yr. Term	5 Yr. Term						
2009	January	627	5.00	5.79	119.2	111.4	92.5	6.4	64.1	795
	February	627	5.00	5.79	115.9	111.9	94.1	6.0	64.6	798
	March	613	4.50	5.55	114.6	112.0	92.1	7.4	64.4	796
	April	596	3.90	5.25	113.3	112.1	89.9	9.2	64.2	797
	May	596	3.90	5.25	113.7	112.9	89.6	10.5	64.7	794
	June	631	3.75	5.85	112.8	112.8	89.9	11.1	65.4	795
	July	631	3.75	5.85	113.5	112.4	93.3	10.2	65.4	791
	August	631	3.75	5.85	113.7	112.8	95.7	8.4	66.9	796
	September	610	3.70	5.49	115.1	112.7	98.0	8.0	67.3	802
	October	630	3.80	5.84	115.8	112.1	99.9	6.9	68.7	809
	November	616	3.60	5.59	116.1	112.4	102.1	7.5	69.6	807
	December	610	3.60	5.49	116.8	111.9	102.3	8.3	70.7	809
2010	January	610	3.60	5.49	117.3	112.2	102.9	8.9	71.6	810
	February	604	3.60	5.39	117.8	113.2	103.3	8.3	71.2	814
	March	631	3.60	5.85	118.4	112.6	103.4	7.8	70.8	816
	April	655	3.80	6.25	118.8	113.2	103.4	7.0	70.2	818
	May	639	3.70	5.99	119.1	113.6	102.9	7.0	69.4	824
	June	633	3.60	5.89		113.4	103.1	6.2	68.8	827
	July									
	August									
	September									
	October									
	November									
	December									

"P & I" means Principal and Interest (assumes $100,000 mortgage amortized over 25 years using current 5 year interest rate)
"NHPI" means New Housing Price Index
"CPI" means Consumer Price Index
"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2006 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modelled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "**dwelling unit**", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "**start**", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "**under construction**" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "**completion**", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "**absorbed**" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect prices.

DWELLING TYPES:

A **"Single-Detached"** dwelling (also referred to as **"Single"**) is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A **"Semi-Detached (Double)"** dwelling (also referred to as **"Semi"**) is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A **"Row (Townhouse)"** dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term **"Apartment and other"** includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The **"intended market"** is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree on integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A **"Rural"** area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions, except the Economic Indicators data (Table 6) which is based on Statistics Canada's 2001 Census area definitions.

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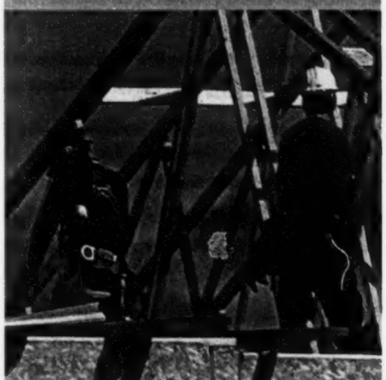

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